Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

CONFIDENTIAL

PAGE 01 KUWAIT 04038 01 OF 02 151423Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
----------045177 151426Z /50
O 151349Z JUL 78
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC IMMEDIATE 1409
INFO AMEMBASSY ABU DHABI PRIORITY
AMEMBASSY CAIRO PRIORITY
AMEMBASSY DOHA PRIORITY
AMEMBASSY JIDDA PRIORITY
USLO RIYADH PRIORITY

C O N F I D E N T I A L SECTION 1 OF 2 KUWAIT 4038

EXDIS

E.O. 11652: GDS
TAGS: EFIN, EAID, EG, US, KU
SUBJ: AID TO EGYPT: MAY BE LINED TO PROGRESS TOWARD PEACE

REF: (A) STATE 174089, (B) KUWAIT 4015, (C) KUWAIT 4014
SUMMARY: SENIOR MFA OFFICIAL HEARD OUT MY PRESENTATION OF POLITICAL CASE FOR GODE AID TO EGYPT AND GRANTED THAT MATTER IS INDEED A POLITICAL SUBJECT. FOR THE FIRST TIME, SO FAR AS I CAN RECALL, A SENIOR GOK OFFICIAL IS ASSERTING THAT PROSPECTS FOR A SATISFACTORY LEVEL OF KUWAITI AID TO EGYPT DEPEND ON PRESIDENT SADAT'S SUCCESS IN HIS NEGOTIATIONS WITH ISRAELIS. PROBABILITY THAT MFA OFFICIAL IS REFLECTING CONSIDERED GOK POLICY IS INCREASED BY FACT THAT ADVISOR IN AMLN'S OFFICE MADE SAME POINT TO ME RECENTLY. CREDIBILITY OF SADAT'S POLICY IS BEING UNDERMINED AS IS OUR OWN SINCERITY IN ARAB EYES. LEBANESE EVENTS ARE CONTRIBUTING TO LATTER. END SUMMARY

1. I CALLED ON ACTING UNDER SECRETARY, MFA, EARLY JULY 15. I EXPLAINED THAT I HAD INSTRUCTIONS TO DISCUSS WITH HIM THE CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUWAIT 04038 01 OF 02 151423Z

QUESTION OF FINANCIAL ASSISTANCE TO EGYPT,THE STATE OF PLAY IN MIDDLE EAST PEACE NEGOTIATIONS AND SOME IDEAS CONCERNING THE DEVELOPING SITUATION IN LEBANON.

2. FOLLOWING REF A, I SAID THAT WE HAD SEVERAL TIMES DISCUSSED EGYPTIAN ECONOMIC AND FINANCIAL NEEDS WITHMINISTER OF FINANCE ATEEQI AND WITH DIRECTOR GENERAL ABDULLATIF AL-HAMAD ODUTHE

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

KUWAIT FUND. I SAID WE KNEW THOSE OFFICIALS HAD FULL UNDER-
STANDING OF THE ECONOMIC AND FINANCIAL SITUATION AND THAT MY
PRESENT INSTRUCTIONS WERE TO CONVEY TO THE GOVERNMENT OF KUWAIT
USG'S PERCEPTION THAT THE CONTINUED GENEROUS FINANCIAL SUPPORT
FROM THE GULF STATES TO EGYPT IS A VERY IMPORTANT POTITICAL
QUESTION. I ADVERTED TO THE COMMON INTEREST OF KUWAIT AND
THE USG IN PRESIDENT SADAT'S CONTINUING IN POWER IN CAIRO AS
A MODERATE LEADER OF THE LARGEST ARAB STATE, AND I SPELLED OUT
THE IMPORTANCE OF AN EARLY ANNOUNCEMENT BY GULF GOVERNMENTS OF
THEIR INTENDED NEW CONTRIBUTION TO EGYPT AS AN IMPORTANT
ELEMENT IN INDUCING US CONGRESS TO BE FORTHCOMING TOWARD
EGYPT.

3. ACTING UNDER SECRETARY WAS NOT INFORMED OF THE RESULTS OF THE
GODE GOVERNORS' MEETING JULY 12 BUT THOUGHT THAT ASSISTANCE
WOULD BE PROVIDED TO EGYPT. I EMPHASIZED THAT USG UNDER-
STANDS AND APPRECIATES THAT KUWAIT HAS BEEN EXTRAORDINARILY
GENEROUS TO EGYPT OVER THE YEARS. MY UNDERSTANDING WAS THAT
THE GODE GOVERNORS WOULD NOT HAVE TAKEN FINAL DECISIONS ON
AID LEVELS, AND I WANTED TO IMPRESS UPON GOK THE POLITICAL
IMPORTANCE OF AN EARLY AND FAVORABLE DECISION IN THE MATTER
WHICH COULD BE PUBLICLY ANNOUNCED. I SAID THAT GULF DONORS
HAVE OFTEN INDICATED THEIR INTEREST IN FINANCING PRIMARILY
PROJECT ACTIVITY IN EGYPT BUT THAT WE QDD THE INTERNATIONAL
ORGANIZATIONS CONTRNED WITH AID TO EGYPT WERE EMPHASIZING
THE CONTINUED NEED FOR BALANCE-OF-PAYMENTS SUPPORT.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KUWAIT 04038 01 OF 02 151423Z

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 KUWAIT 04038 02 OF 02 151422Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
---------045147 151426Z /43
O P 151349Z JUL 78
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC IMMEDIATE 1410
INFO AMEMBASSY ABU DHABI PRIORITY
AMEMBASSY CAIRO PRIORITY

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

AMEMBASSY DOHA PRIORITY
AMEMBASSY JIDDA PRIORITY
USLO RIYADH PRIORITY

C O N F I D E N T I A L SECTION 2 OF 2 KUWAIT 4038

EXDIS

4. THE ACTING UNDER SECRETARY VOLUNTEERED THAT, IF THE US GOVT WOULD PUT PRESSURE ON ISRAELIS TO COME TO A COMPREHENSIVE PEACE AGREEMENT WITH THE ARAB WORLD, IT WOULD FACILITATE THE GIVING OF SUPPORT TO SADAT BY THE GULF STATES. I REPLIED THAT, AS THE
IMMINENT TALKS IN LONDON INDICATED, JUST SUCH A COMPREHENSIVE PEACE SETTLEMENT REMAINS A POLICY OBJECTIVE TO WHICH THE US GOVT IS DEEPLY COMMITTED. I SAID THAT PRESIDENT CARTER'S INITIATIVE TO BRING THE ISRAELI AND EGYPTIAN FOREIGN MINISTERS TOGETHER, FOLLOWING THE DISAPPOINTING ISRAELI RESPONSE TO OUR QUESTIONS CONCERNING THE ISRAELI ATTITUDE TOWARD OCCUPIED TERRITORIES, WAS EVIDENCE OF PRESIDENT CARTER'S DEEP COMMITMENT. I SAID WE WERE LOOKING AT A CIRCULAR QUESTION: IF SADAT WERE UNABLE TO MAINTAIN HIMSELF, HE WOULD BE UNABLE TO CONTRIBUTE TO THE PEACE PROCESS. ALTHOUGH WE COULD NOT BE CONFIDENT THAT THE LONDON MEETING WOULD YIELD IMMEDIATE, DRAMATIC PROGRESS, THERE HAD INDEED BEEN PROGRESS TOWARD PEACE. CONTINUED MODERATE ARAB PATIENCE WITH SADAT AND HIS POLITICES AND CONTINUED GENEROUS FINANCIAL SUPPORT FOR HIM WERE ESSENTIAL IF THE BEST HOPE FOR AN ARAB-ISRAELI SETTLEMENT WERE NOT TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUWAIT 04038 02 OF 02 151422Z

BE LOST.

5. COMMENT: (A) I AM STRUCK BY THE ACTING UNDER SECRETARY'S DIRECT LINKAGE BETWEEN GULF FINANCIAL SUPPORT TO SADAT AND SADAT'S INABILITY SO FAR TO PRODUCE MEANINGFUL RESULTS (AS SEEN BY THE OTHER ARABS) FROM HIS PEACE INITIATIVE WITH THE ISRAELIS. I WOULD TEND TO PLAY DOWN THE LINKAGE EXCEPT THAT I HEARD THE SAME ARGUMENT MUCH MORE STRONGLY PUT TWO DAYS AGO BY A FRIEND WHO WORKS IN THE AMIRI DIWAN. HE HAS APPARENTLY LITTLE INFLUENCE ON THE DECISION-MAKING PROCESS HERE BUT IS PRIVY TO A GREAT DEAL OF HIGH-LEVEL CONVERSATION AND TO A LARGE VOLUME OF CONFIDENTIAL REPORTS AND MEMORANDA. AT THE END OF A LONG TOUR D'HORIZON WITH HIM ON JAHY 13, I ASKED HIM WHETHER HE THOUGH KUWAIT WOULD PROVIDE THE NECESSARY VOLUME OF FINANCIAL AID TO EGYPT THIS YEAR. HIS ANSWER WAS INSTANTANEOUS: NO. TIME IS SHORT, HE SAID, AND IF SADAT SHOWS NO RESULTS FROM HIS PEACE INITIATIVE, THE GULF ARABS WILL WATC SADAT GO UNDER WITH MORE THAN A TOUCH OF SATISFACTION. THERE WILL BE AID TO EGYPT, HE SAID, IF SADAT CAN COME UP WITH NEW JUSTIFICATION FOR HIS NOW WIDELY DISCREDITWD INITIATIVE

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

TOWARD ISRAEL.

(B) I CANNOT TELL WHETHER THE PARALLEL COMMENTS OF MY TWO INTERLOCUTORS WILL PROVE TO BE ACCURATE IN TERMS OF HIGHEST-LEVEL GULF POLICY WHEN THE POLITICAL RISK OF LOSING SADAT IS FINALLY WEIGHED IN THE BALANCE. NEITHER OF THE TWO IS TRULY AN INSIDER WHERE GOK DECISIONS ARE MADE. HOWEVER, WE INCREASINGLY HEAR IT SAID SADAT HAS BEEN DECEIVED BY THE AMERICANS WHO ARE UNWILLING OR UNABLE TO DELIVER THE ISRAELIS TO A REAL PEACE-MAKING TABLE. EVENTS IN LEBANON ARE REINFORCING SUCH THOUGHTS BECAUSE WE ARE SEEN TO BE SUPPORTING ISRAELI ENCOURAGEMENT OF CHRISTIAN ELEMENTS WHOM MANY KUWAITIS SEE AS THE MAJOR DISRUPTIVE ELEMENT IN LEBANON. AS SEEN BY MANY
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KUWAIT 04038 02 OF 02 151422Z

KUWAITIS, THE POLITICAL COST OF CONTINUED, EVEN TACIT SUPPORT FOR SADAT IS RISING SHARPLY, AND THEY SEE THE CLAIMS OF THE REJECTIONIST ARAB STATES INCREASINGLY PROVEN ACCURATE. THEY SEE AID TO EGYPT AS A MATTER INEXTRICABLY TIED TO REGIONAL POLITICAL DEVELOPMENTS, AND THE CREDIBILITY OF EGYPTIAN AND AMERICAN POLICY IS BEING UNDERMINED BY THOSE DEVELOPMENTS.
SUTHERLAND

CONFIDENTIAL

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, PEACE PLANS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 jul 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KUWAIT04038
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780290-1259
Format: TEL
From: KUWAIT
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780757/aaaabvpl.tel
Line Count: 196
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 99d40773-c288-dd11-92da-001cc4696bcc
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: 78 STATE 174089, 78 KUWAIT 4015, 78 KUWAIT 4014
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1997739
Secure: OPEN
Status: NATIVE
Subject: AID TO EGYPT: MAY BE LINED TO PROGRESS TOWARD PEACE
TAGS: EFIN, EAID, EG, US, KU
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/99d40773-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014